



Officer Decision Report

Author/Lead Officer of Report: Yvonne Asquith,
Head of Business Sheffield

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Report to: *Kate Martin, Executive Director, City Futures*

Date of Decision: *25th October 2023*

Subject: *Shared Prosperity Fund Launchpad Project*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1270				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

Purpose of Report:

The purpose of this report is to seek approval to enter into a service level agreement with Barnsley Metropolitan Borough Council (BMBC) and to accept a UK Shared Prosperity Fund (UK SPF) grant to deliver the UK SPF funded Launchpad project.

Recommendations:

It is recommended that the Executive Director, City Futures approves:

- the Council entering into the Service Level Agreement (SLA) with BMBC to deliver the Launchpad Project as set out in this report.
- the Council accepting a UK SPF grant of £686,969 to deliver the Launchpad Project as set out in this report.

Background Papers:

EDS Committee report UKSPF Local Business Support Projects
BMBC Service Level Agreement for delivery of the Launchpad Project.

Lead Officer to complete:-	
I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Alex Hill</i>
	Legal: <i>Gemma Beecroft</i>
	Equalities & Consultation: <i>Ed Sexton</i>
	Climate: <i>Jessica Rick</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
SLB member who approved submission:	<i>Kate Martin, Executive Director, City Futures</i>
Relevant Policy Committee	<i>Economic Development & Skills</i>
I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
Lead Officer Name: <i>Yvonne Asquith</i>	Job Title: <i>Head of Business Sheffield</i>
Date: <i>25th October 2023</i>	

1. PROPOSAL

1.1 Background:

The Launchpad project is funded by the UK Shared Prosperity Fund (UK SPF). The UK SPF has three investment priorities:

- Communities & Place
- Local Business Support
- People & Skills

1.1.1 In November 2022 Finance Sub-committee approved that Sheffield City Council should act as Accountable Body for the fund for activity within Sheffield and South Yorkshire (where necessary).

1.1.2 In February 2023 the Economic Development & Skills Committee approved a programme of projects that would be delivered under the local business support investment priority.

1.1.3 Four Key projects were approved:

1. Launchpad – revenue funding for start up and early stage start-up businesses including a workshop programme, 1-2-1 specialist advisor support and a small grants programme.
2. Productivity & Digital Innovation Grants – for SME's to access specialist advisor 1-2-1 support and grants to support productivity gains and digital adoption in the business.
3. Low Carbon – to provide sustainability audits and grants to improve energy efficiency and reduce carbon consumption for Sheffield SME's.
4. RISE – revenue funding to provide graduate jobs in Sheffield SME's, a partnership programme with Sheffield Hallam University and University of Sheffield.

1.2 The Launchpad Project

The Launchpad project will deliver support to start up and early-stage businesses and was agreed by the Economic, Development & Skills Committee.

Barnsley Council will act as Accountable Body for this project and entered into a grant agreement with South Yorkshire Mayoral Combined Authority (SYMCA). The project is a consortium of South Yorkshire Councils, each council will deliver local activity and will be required to enter into a Service Level Agreement (SLA) with BMBC. The SLA will set out the activity to be delivered by each local authority,

which will contribute to the overall achievement of the projects contracted outputs.

Launchpad has a total UK SPF allocation of £686,969 for start-up and early-stage support.

Launchpad is a regional business support programme and Barnsley will act as Accountable Body for the programme. Business Sheffield functions will be the delivery partner for Sheffield. The project funding will be split into two financial years 2023/24 and 2024/25.

The project provides entrepreneurs in South Yorkshire with the opportunity to explore and challenge their business ideas. Aimed at those wanting to start in business and those in their early stages in business.

The project costs for the proposal for Sheffield are to fund the existing Advisor Team of 2 x Start Up Advisors, 2 General Business Advisors, part fund a Marketing and Sales Advisor and support with marketing and project support. Other key costs will cover flexible costs for the delivery of a workshop programme both face to face and virtually and for costs to fund space for workshop delivery to take place both in the city centre and in our neighbourhood centres. The remaining revenue funding of the staffing posts is secured through core costs.

The Council will contribute £77,250 in Year 1 and £103,000 in Year 2 towards staffing costs. Utilising UK SPF for the project will mitigate some of the budget issues faced by losing ERDF on both staffing costs and on delivery for the Launchpad project. These costs are already accounted for and available in budget.

Outputs for the Sheffield Launchpad project include –

- Number of potential entrepreneurs provided with assistance to be business ready – 260
- Number of businesses receiving grant – 80
- Number of businesses receiving non-financial support 103
- Number of jobs created 51
- Number of new businesses created 61

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 The UK Shared Prosperity Fund Prospectus outlines the investment priority to support local businesses, and this fits the objective to increase private sector investment in growth activities, through targeted support for small and medium sized businesses to undertake new to firm innovation, adopt productivity enhancing, energy efficient and low carbon technologies and techniques and start and grow their export.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 No specific consultation is required in connection with this report however the activity set out in SLA is in relation to projects that have been agreed by the Committee and undergone their own appropriate consultation during the development process.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 An EIA was undertaken for the wider UK SPF Programme as part of a Finance Sub Committee report in November 2022, (now renumbered EIA 2118 on the Council's new EIA platform). This identified potential positive UK SPF impacts across a range of characteristics and groups. The EIA has been updated and presented alongside the Economic Development and Skills Committee report in February 2023.

- 4.1.2 The initial EIA identified potentially positive impacts in relation to several protected characteristics and equality impacts, including Age, Disability, Race, Financial Inclusion and Cohesion. The proposals maintain the position of the EIA by supporting the ability to support businesses to survive and grow, access grants at a time when costs in businesses are high and ability to fund growth is limited without support.

- 4.1.3 Finally, the EIA undertaken for the Race Equality Commission, EIA 1323, Appendix 2, and the Business Growth Response highlights in detail the development of Business Sheffield and all its business support projects. This EIA in particular will form the basis of developing our approach across these core projects with a view to better reporting of equalities data alongside developing business support to reach wider business bases and individuals looking to start a business

4.2 Financial and Commercial Implications

- 4.2.1 Key features of the Service Level Agreement ("SLA") terms and conditions are summarised as follows. The Project Manager will need to read, understand and comply with all of the grant terms and conditions and the Code of Conduct for Grant Recipients and develop an exit strategy to ensure that there are no ongoing unfunded costs when the grant ends:

- 4.2.2 South Yorkshire businesses are set to receive grants up to a maximum value of £2,551,566 from Barnsley Metropolitan Borough Council ("Barnsley"), (the "Grant"). The decision to accept the Grant in

relation to Sheffield businesses was made in principle at the Economic Development and Skills Policy Committee on 22nd February 2023.

SCC will be required to enter into the SLA in order to meet the Project requirements and ensure payment of the Grant from Barnsley.

The Grant is made from UKSPF funds received by Barnsley from SYMCA. SCC to the obligations in the Barnsley-SYMCA grant agreement (the “Superior Grant Agreement”), which is appended to the SLA at Appendix 2, and the terms and conditions of the Superior Grant Agreement are stepped down into the SLA.

- 4.2.3 SCC will be permitted to drawdown £686,969 of Grant to contribute to the revenue internal salary, marketing, grants and other overheads costs of meeting the Project requirements (the “SLA Contribution”). The SLA Contribution will be available across financial years 23/24 and 24/25 (see below at 4.2.6 and 4.2.7)

The SLA Contribution is from the UKSPF received via Barnsley, and is to promote new business start-ups in South Yorkshire (the “Project”). The required Project outputs and outcomes are appended to the SLA at Appendix 3.

The SLA Contribution will be subject to the terms and conditions of the Superior Grant Agreement and the SLA.

- 4.2.4 The SLA is to be jointly signed between Barnsley and the other South Yorkshire metropolitan councils receiving funding (the “Partners”). SCC is only responsible for its own specific activities in relation to the Project and is not responsible for the outputs/outcomes of the other Partners.

- 4.2.5 SLA Commencement Date: 1st April 2023

SLA End Date: 1st April 2025

- 4.2.6 The budget included in the SLA for Sheffield is:

Budget Heading	23/24	24/25	Total
Salaries – Advisor Team	187,000	260,000	447,500
Marketing Officer	41,600	43,264	84,864
Overheads	34,365	45,490	79,855
Room Hire, Event delivery, and workshop animation	87,500	87,500	175,00
Grants	40,000	40,000	80,000

- 4.2.7

Sheffield will contribute an element of match funding through the existing salaries of the Advisor team . The value of UKSPF grant we will draw down from Barnsley as part of the SLA is detailed in the below table:

Funding Source	23/24	24/25	Total
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SCC salary match	77,250	103,000	180,250
SPF	313,715	373,254	686,969

4.2.8 The SLA sets out a financial and output profile and reporting timeline, the Business Sheffield team will work with the Programme Management Team to prepare the claim documentation in accordance with the timetable and seek External Funding Team approval prior to submission.

4.2.9 The Superior Grant Agreement is made on standard UKSPF terms, which are summarised as follows:

- Grant used to achieve Project Outputs/Outcomes (see details).
- Grant for Qualifying Expenditure defrayed for the Project
- Grant subject to clawback if Project does not achieve Outputs/Outcomes
- Commencement/Completion Dates as per Schedule 2 of the Superior Grant Agreement (see details)
- Closure Date/Funding Cessation Date as set out in Schedule 2 of the Superior Grant Agreement (see details).
- Subject to acceptable subsidies Article 3.4 of UK-EU TCA Rules / WTO-ASCM Rules/UK Subsidy Control Act 2022 together.
- Grant only for Eligible Costs subject to Special Conditions (see details).
- Grant Claims must only be made using the approved claim form (see details).
- Grant shall not be used for any other purpose without Barnsley/SYMCA permission.
- Only claim Qualifying Expenditure defrayed from Commencement to Completion Date. Qualifying Expenditure outside these dates is ineligible.
- Notify Barnsley/SYMCA in advance of intention to apply for third party funding,
- Grant payment is conditional upon match funding letters provided to Barnsley/SYMCA and match funding will need to be eligible, available to use and evidenced.
- SCC shall neither apply for/ accept duplicate funding re: any part of the Project/related administration costs funded by UKSPF.
- Grant subject to 5% retention, payable by Barnsley/SYMCA on satisfactory completion of the Project.
- SCC cannot recover more than 15% overheads for staff costs
- Inform Barnsley/SYMCA if grant claims profile changes.
- SCC is responsible for any match funding shortfalls etc (see details)
- No Project changes (see details) without Barnsley/SYMCA approval
- SCC to ensure VFM in procurement of goods/services funded by the Grant.

- SCC to procure activity commencement within 30 days of SLA Commencement Date.
- Project Outputs/Project Outcomes are achieved by the Completion Date.
- SCC shall certify the full Project costs (see details) defrayed (by S151 Officer)
- Barnsley/SYMCA may clawback Grant in a number of circumstances (see details):
- Grant subject to Subsidy Rules and SCC warrants/represents that Grant is not prohibited by the Subsidy Rules (see details).
- SCC shall not breach the Subsidy Rules.
- SCC to inform Barnsley/SYMCA of other public funding used against the Eligible Costs
- Records to be kept for 10 years following granting of the aid.
- SCC is to comply with the accounting audit, monitoring and reporting requirements specified in the grant agreement (see details).
- SCC must comply with the publicity and information/data sharing requirements of the Superior Grant Agreement (see details).
- SCC must comply with the detailed performance management, project evaluation and key performance indicator requirements specified in the Superior Grant Agreement (see details). This includes the UKSPF national evaluation procedure (see details).
- SCC must comply with the risk management obligations contained in the Superior Grant Agreement and maintain an appropriate risk register (see details).
- Grant maybe subject to External Audit.
- Grant is subject up to 100% total Clawback (see details) to the extent that the Project Outputs/Outcomes are not achieved in full by the Completion Date
- On Completion Date Barnsley/SYMCA, may take account of the extent to which the Project Outputs/Outcomes have been achieved.

4.2.10 Commercial Implications

All public sector procurement is governed by and must be compliant with the Grant Agreement and UK National Law. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).

CSO requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase / acquire services, goods or works must go via a competitive process, comply with the Local Government Transparency Code 2015. The Portfolio / Service Grant Manager will need to contact the

Commercial Services Team for detailed guidance on adherence to these rules when spending grant monies.

Procurement requirements will also be passed on to grant beneficiaries where the Council provides UKSPF to a third party via a grant agreement.

4.3 Legal Implications

- 4.3.1 The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act. This enables the Council to accept the grant and enter into the SLA with BMBC.

If approved by the Executive Director of City Futures, the Council will enter into the SLA with BMBC. The SLA will also be signed by the City of Doncaster Council, Rotherham Metropolitan Borough Council and Barnsley Metropolitan Council.

The terms of the SLA are detailed in section 4.2 of this report, but key points to note are:

- The Council must provide the match funding amounts detailed in the SLA.
- BMBC have entered into a grant agreement with SY MCA which is appended to the SLA. The grant agreement must therefore be complied with by the Council. Officers working this project must be aware of these terms to ensure they are met by the Council. The Council will be liable and must indemnify BMBC for any breach of the funding agreement by the Council.
- Any funding relating to the 2024/2025 financial year is dependent on SY MCA receiving funding from the Department for Levelling Up, Housing and Communities in relation to this project.
- If the grant agreement is terminated, BMBC are under no obligations to pay any funding to the Council.

The Council must comply with all applicable legislation and regulations including but not limited to UK GDPR, the Data Protection Act 2018, Equality Act 2010 and the Subsidy Control Act 2022.

4.4 Climate Implications

- 4.4.1 A Climate Impact Assessment was undertaken for this project in February 2023 when the activity was approved by the Economic Development & Skills Committee. The international and national

position in respect to climate change is well established and in 2019 the UK became the first major economy to pass laws to end its contribution to global warming by getting to Net Zero by 2050.

- 4.4.2 In the same year the Council declared a Climate Emergency and subsequently set a target for city wide emissions to be net zero by 2030. Following the production of the Zero Carbon Mitigation Pathways for reducing both city wide emissions and emissions from the Council's own estate and operations by 2030, the Council adopted its 10 Point Plan for climate action in March 2022.
- 4.4.3 This project will have a positive climate benefit through provision of digital innovation and efficiency improvement in the areas of impact such as energy use transport and resource use.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 BMBC are required by the terms of the agreement with SYMCA to enter into SLA's with all Local Authorities to delivery their elements of the project.
- 5.2 An alternative form of delivery for Sheffield would result in a delay in providing much needed support to individuals setting up in business and early-stage businesses requiring support.
- 5.3 It would also mean there was less alignment with the themes developed in the South Yorkshire Shared Prosperity Fund Investment Plan and might not be supported by SYMCA.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The SLA is required in order to deliver the Launchpad project and contribute towards the outputs for UK SPF approved by the Economic Development and Skills Committee.